

OBA-1405-65
#1495

REPLY TO:
Auditor General Representative (APL)
P. O. Box 8155
S. W. Station
Washington, D. C.

26 March 1965

SUBJECT: Advisory Report of Final Audit
Raytheon Company
Space & Information Systems Division
Automatic Operation
Alexandria, Virginia
Contract No. BH-1934 - Task Orders Nos. 3 and 4

TO : Contracting Officer

1. This is a final audit report for Task Orders No. 3, dated 19 March 1964, and No. 4, dated 18 December 1964, under CPFF Contract No. BH-1934. The Task Orders provided for study and data reduction work. Work commenced 5 December 1963 and was completed 31 December 1964. The contractor did not segregate costs under these tasks, therefore, this report covers the combined costs of the tasks. All billings and payments to date have been under Task Order No. 3. The auditor requested the contractor to combine Task Orders No. 3 and 4 in the completion voucher, releases and other closing documents.

2. The results of audit follow:

Costs claimed P. V. Nos. 1-7	\$67,221.46	
Costs to be claimed final P. V. No. 8	(160.61)	
		\$67,060.85
Fixed fee claimed P. V. Nos. 1-7	\$ 3,758.00	
Fixed fee to be claimed final P. V. No. 8	(3,758.00)	
		-0-
Total amount approved by auditor		\$67,060.85
Less: Funds obligated		
Task Order No. 3	\$37,993.00	
Task Order No. 4	12,733.00	
		\$50,726.00
Increase in funds required		\$16,334.85

3. Allowable costs were determined based on ASPR, Section XV, Part 2 and other terms of the contract. The contract provisions of both task orders contained an overhead limitation clause which established a ceiling of 130% for overhead costs incurred in the calendar years 1964 and 1965. No overhead limitation was established for overhead costs incurred in the calendar year 1963. Since overhead rates have not been negotiated for 1964, for purposes of closing the subject task orders the auditor applied overhead rates which it is believed will approximate the final negotiated rates with the following results:

	<u>1963</u>	<u>1964</u>	<u>Total</u>
Direct Labor	\$2,404.45	\$19,038.64	\$21,443.09
Overhead (206.3%)	4,960.38	(117%) 22,275.20	27,235.58
Direct Material	-0-	517.52	517.52
Outside Computer	-0-	10,594.26	10,594.26
Travel & Living	43.50	375.56	419.06
Rent of Equipment	-0-	5.00	5.00
	<u>\$7,408.33</u>	<u>\$52,806.18</u>	<u>\$60,214.51</u>
G&A (9.73%)	720.83	(11.6%) 6,125.51	6,846.34
Total Amount Approved	<u>\$8,129.16</u>	<u>\$58,931.69</u>	<u>\$67,060.85</u>

4. There are no unclaimed wages, unclaimed deposits, unrepresented checks or known potential credits or refunds.


5. There are no known General Accounting Office notices of exception. None are anticipated.

6. There were no residual materials under the contract.

7. The amount approved was discussed with [] Contract Administrator, who concurred and agreed to waive all fee under the subject task orders by mutual understanding with the Contracting Officer.

25X1

25X1


 Auditor General Representative (APL)